

Session 10(a)

Federal Pell Grants: Definitions, Formulas, & Special Issues

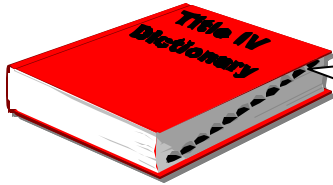
Questions we will answer during this session:

What are the key definitions to know regarding Pell?

How do you select a Pell Grant formula?

What are some special issues regarding Pell?

What are the key definitions to know regarding Pell?



Academic Year vs. Award Year

Academic Year: (defined in hours, weeks, and terms)

Statutory Definition of an Academic Year

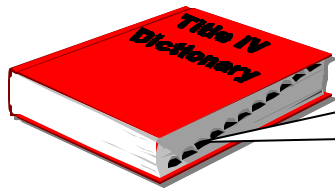
Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year.

- While the above are minimum required definitions of an academic year, the actual length of instructional time in the program in weeks or hours may be more or less than the definitions.

Award Year:

- July 1 through June 30 each year
- Includes **all** weeks/terms when instruction occurs
 - school could have two-term academic year (fall/spring) with three-term award year (fall/spring/summer)



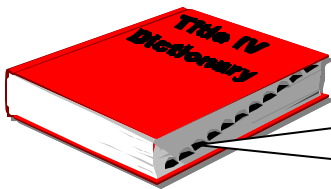
**Standard Term
vs.
Nonstandard Term**

Standard Term:

- semesters, trimesters, quarters
- full time = 12 credits/term

Nonstandard Term:

- any term that is not standard, like:
 - a summer with 6 credits as full time; or
 - a 15-week fall with 10 credits as full time



**Scheduled Award
vs.
Annual Award**

Scheduled Award:

- maximum Pell student can receive if enrolled full time for full academic year
- student can receive just one per year

Annual Award:

- based on student's true enrollment status (full, 3/4, 1/2, < 1/2) for term-based, credit-hour schools
 - if student is full time, Scheduled Award = Annual Award
- for nonterm-credit and all clock-hour schools, all students are considered full time for calculation purposes
 - Scheduled Award = Annual Award



Checkpoint #1: Definitions

In each sentence, circle or underline the correct word whenever you have a choice of words.

1. The *award / academic* year is always July 1 through June 30.
2. The definition of academic year for each program must be a *minimum / maximum* of 28 / 30 weeks.
3. Regardless of the definition of the program's academic year, the reality may be *less / more / less or more* than that definition.
4. Program A is 29 weeks and 870 clock hours long. While the *reality / definition* of the program's length is 29 weeks and 870 hours, the *reality / definition* of the program's academic year must be at least 30 weeks and 900 hours.
5. Program B consists of two 13-week terms. While the *reality / definition* of the program's length is 26 weeks, the *reality / definition* of the program's academic year must be at least 30 weeks.
6. A school has a fall term and a spring term, each which requires 12 credits for full time. In the summer, full time is 8 credits. Only the *fall / spring / summer* term is *standard / nonstandard*.
7. The same school has an optional winter intersession during which full time is 12 credits. For Pell purposes, this intersession is *standard / nonstandard*.
8. At a term-based school, a full-time student's Scheduled Award *will / will not / may* equal his or her annual award.
9. At a nonterm school, two students have the same COA and EFC. Student A is enrolled for 23 clock hours per week. Student B is enrolled for 30 clock hours per week. Student B's annual award *will / will not* differ from Student A's annual award.
10. A student can receive a maximum of *1 / 2 / 3* Scheduled Award(s) per award year.

How do you select a Federal Pell Grant formula?

Selecting Federal Pell Grant Formulas

Formula 1	Formula 2	Formula 3*	Formula 4	Formula 5
Credit-Hour Programs			Credit or Clock-Hour Programs	Correspondence Study**
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
2 semesters/trimesters or 3 quarters offered in fall through spring		Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	Schedule for submission of lessons based on 12 hours per week (nonterm) or 30 hours per semester/trimester or 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
At least 30 weeks of instructional time in fall through spring terms***	Less than 30 weeks of instructional time in fall through spring terms***	Academic calendar may be more, less, or equal to 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
Full-time • 12 credit hours for every term in the award year		Standard term: Full-time • 12 credit hours Nonstandard term: Full-time is calculated according to regulatory formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)
<p>* For a summer mini-session, use Formula 3.</p> <p>** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable</p> <p>*** Under certain circumstances the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.</p>				



Checkpoint #2: Choosing a Pell Grant Formula

1) Alexandria State University defines its academic year as 30 weeks and two terms (fall and spring). The actual length of each term is 14 weeks of instructional time; full-time is 12 credits per term. Alexandria offers a summer term with full-time as 12 credits.

Which formula(s) apply to the programs at this school? _____

2) Julian Institute defines its academic year as 30 weeks and two terms (fall and spring). Each term is 15 weeks of instructional time; full time is 12 credits per term. Julian offers two summer mini-sessions, with full time as 6 credits for each separate session.

Which formula(s) apply to the programs at this school? _____

3) New West College defines its academic year as 30 weeks and three quarters (fall, winter, and spring). Each quarter is 10 weeks of instructional time; full time is 12 credits per term. New West offers a summer session in which full time is 12 credits.

Which formula(s) apply to the programs at this school? _____

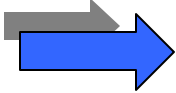
4) Horizon Technical College defines its academic year as 30 weeks and 24 credit hours. There are no terms used.

Which formula(s) apply to the programs at this school? _____

5) Now consider your school.

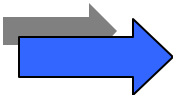
Which formula(s) apply to your school? _____

What are some special issues regarding Pell?



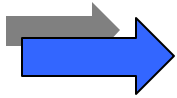
Crossover Payment Periods

- If payment period crosses award years, school may pay student from either award year. However, if 6 months of a payment period fall in one award year, funds must be paid from that award year.
- For instance, payment period starts in May, ends in August; pay student from either award year.



Recalculating Pell

- Must recalculate if EFC changes due to verification, corrections, updating, or professional judgment.
- Must recalculate if student's enrollment status changes from one term to another.
- Otherwise, recalculation is optional.



Transfer Students

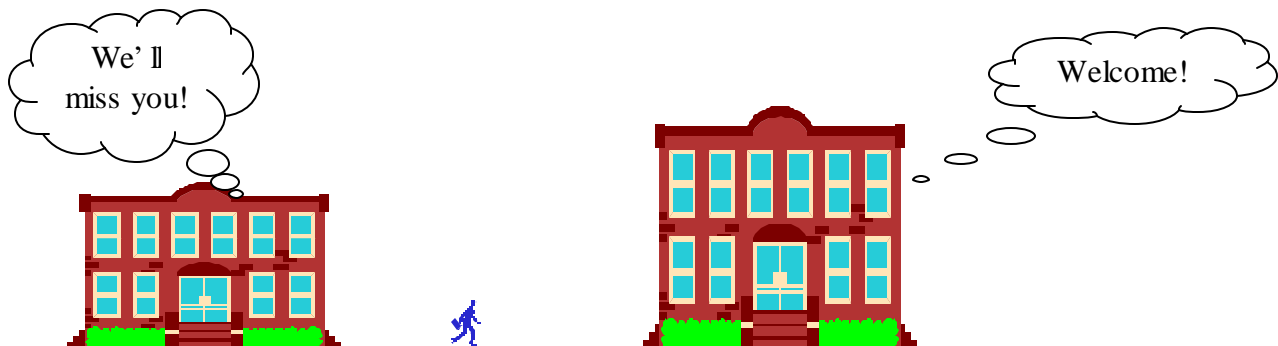
- If the student transfers during award year, the student can still only get one Scheduled Award. To figure out how much the student can get at the new school:
 - 1) calculate percentage of Scheduled Award student received at first school
 - 2) subtract that percentage from 100%
 - 3) calculate Scheduled Award for new school
 - 4) only award student for percentage remaining
- Example:

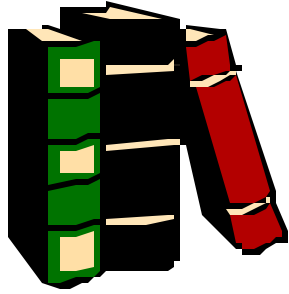
Scheduled Award at School A is \$1,000. Student receives \$600 before transferring (60% of Scheduled Award).

At School B, Scheduled Award is \$1200. Student only eligible for 40% of that award, or \$480.

Transfer Test

Jenna's Scheduled Award at School A is \$3,000. She receives \$750 before transferring to School B. At School B, because of a lower COA, Jenna's Scheduled Award drops to \$2,000. What is the maximum amount in dollars that Jenna could receive at School B? (Assume Jenna is enrolled full time in a one-year program.) \$_____





Resources Resources

★ *Federal Student Financial Aid Handbook:
Federal Pell Grant Program Reference*

★ 34 CFR 690

Answer



Key

Checkpoint #1: Definitions

1. award
2. minimum
3. less or more
4. reality, definition
5. reality, definition
6. summer, nonstandard
7. standard
8. will
9. will not
10. 1

Checkpoint #2: Choosing a Pell Grant Formula

- 1) **Formula 2 or 3**
- 2) **Formula 3** (unless you combine the summer terms to form one 12-credit term; then Formula 1 would work, too)
- 3) **Formula 1 or 3**
- 4) **Formula 4**

Transfer Test

Jenna can receive \$1,500, which is 75% of her Scheduled Award at School B.